

TEACHERS' RETIREMENT BOARD
EXECUTIVE COMPENSATION COMMITTEE

SUBJECT: Approval of Minutes of February 6, 2002

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: April 4, 2002

INFORMATION: _____

PRESENTER(S): Chairperson

Please see the attached minutes of the February 6, 2002, meeting of the Executive Compensation Committee.

PROPOSED
MINUTES OF THE
EXECUTIVE COMPENSATION COMMITTEE
OF THE
TEACHERS' RETIREMENT BOARD
THURSDAY, FEBRUARY 6, 2002
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

BOARD MEMBERS PRESENT

George Fenimore, Chairperson
Gary Lynes
Marty Mathiesen
Karen Russell
Carolyn Widener
Louis Willhoit, representing the State Controller, Kathleen Connell
Curt Robinson, representing the Superintendent of Public Instruction, Delaine Eastin
Ted Eliopoulos, representing the State Treasurer, Philip Angelides
Annette Porini, representing the Director of Finance, B. Timothy Gage

STAFF PRESENT

Jack Ehnes, Chief Executive Officer
Christopher J. Ailman, Chief Investment Officer
Chris Waddell, Chief Counsel
Michael Carter, DCEO, Client Benefits and Services
Ed Derman, DCEO, External Affairs and Program Development
Peggy Plett, DCEO, Administration
Armando Hidalgo, Chief, Personnel
Mary Miles, Administrative Assistant

OTHERS PRESENT

Rick Beal, Watson Wyatt Worldwide	Pat Geyer, CRTA
Ron Keimach, Watson Wyatt Worldwide	Loretta Toggenburger, UTLA-R
Edna White, CRTA	Ann McWherter, PARS
Don Douglas, CTA - R	Bev Carlson, CTA
Lois Shive, CTA	Steve DePue, CTA
Dorothy Moser, CTA/NEA-R	

A quorum being present, Chairperson Fenimore called the meeting to order at 3:30 p.m.

II. **APPROVAL OF MINUTES OF DECEMBER 6, 2001 MEETING**

MOTION duly made by Mr. Mathiesen, seconded by Ms. Porini, and carried to approve the minutes of the December 6, 2001 meeting.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **EXEMPT PAY STRUCTURE**

Mr. Beal and Mr. Keimach, of Watson Wyatt Worldwide, distributed their final report of the Executive Compensation Study, which included additional data on public pension funds. Ms. Plett stated staff would bring this issue back to the Committee next month with recommendations on potential strategies. Mr. Eliopoulos stated there should be a distinction made between investment-related positions and executive management positions and a separate market analysis would be appropriate to make that distinction. Mr. Eliopoulos also requested staff provide a salary comparison of other State of California executive management positions and directors of various agencies. Mr. Ailman brought forward Investment staff's concerns regarding some of the comparisons used in the Study as not being comparable in the functions they perform. Ms. Russell requested that the comparisons also include the number of employees the individuals manage.

By consensus, the Committee accepted the Compensation Study.

V. **DRAFT AGENDA FOR THE NEXT COMMITTEE MEETING**

No changes were made to the draft agenda.

VI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were no statements.

VII. **ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 4:25 p.m.

Jack Ehnes, Chief Executive Officer
and Secretary to the Teachers' Retirement Board

George Fenimore, Chairperson